

**Docket No. R2015-4  
USPS-LR-R2015-4/5  
Special Services Workpapers**

**Preface**

**A. Overview of the Workpapers**

The Special Services workpapers consist of this preface and two Excel workbooks: CAPCALC-SpecServ-R2015-4.xlsx and CAPCALC-INTLSpecServ-R2015-4.xls.

CAPCALC-SpecServ-R2015-4.xlsx takes the results from CAPCALC-INTLSpecServ-R2015-4.xls, and determines cap compliance for domestic and international market dominant special services combined.

CAPCALC-SpecServ-R2015-4.xlsx contains individual worksheets for each special service, as well as the following worksheets.

- The “Cap Calc Page” and the “Cap Detail Page” worksheets calculate the amount of the price change for each of the special services.
- The “Cap Amount and Bank” worksheet shows how much cap was available, how much was used, and how much will be unused for Special Services, following the special services price changes.
- The “Prices” worksheet shows the current and new prices for each special service; each of the sheets for the individual special services is dynamically linked to this sheet for its price information.
- The “Hardcoded Data” worksheet contains data that are used on each sheet.
- The “Index” and “CoverPage” worksheets are the index of the workbook and the cover page for this document, respectively.

CAPCALC-INTLSpecServ- R2015-4.xls contains the “Cap Calculation” worksheet, which summarizes the price changes for the market dominant international special services.

**B. Adjustments to the Billing Determinants**

A total of 11 of the Billing Determinants in CAPCALC-SpecServ-R2015-4.xlsx have adjustments. The affected worksheets are: “F-1 Certified Mail”, “F-2 Collect-On-Delivery”, “F-3 Insurance”, “F-3a Priority Mail Express Insurance”, “F-4 Post Office Boxes”, “F-6 Registered Mail”, “F-8 Return Receipt”, “F-12 Signature Confirmation”, “G-4 Merchandise Return Service”, “H-3 Special Handling”, and “H-6 Parcel Return Service”. Explanations of the adjustments are provided below.

Additionally, while no adjustments were made to the “F-7 Restricted Delivery” worksheet, this service is being eliminated as a stand-alone service; however, customers will not be impacted as a new Restricted Delivery option is being created under each special service with which it can be used. Those new services are:

- Certified Mail Restricted Delivery
- COD Restricted Delivery
- Insurance Restricted Delivery
- Registered Mail Restricted Delivery
- Signature Confirmation Restricted Delivery

For this filing the price cap implications for these changes are being addressed through the retention of the Restricted Delivery billing determinant, because we are unable at this time to distribute the Restricted Delivery volume by special services that it is combined with. Once the change goes into effect we will start collecting the data for the categories shown in the bullet points above.

#### F-1 Certified Mail

The adjustments are due to the addition of the Certified Mail Restricted Delivery and/or Adult Signature option. No volume is being reported for this new price point due to the issue with the Restricted Delivery data explained above, and because the ability to get Adult Signature was previously restricted to only Priority Mail host pieces in the form of the competitive Adult Signature product. The new service will allow mailers to request an adult signature with or without Restricted Delivery on any mail that uses Certified Mail (predominantly First-Class Mail).

#### F-2 Collect on Delivery

Two adjustments were made to the Collect on Delivery Billing Determinants. The first adjustment is due to the addition of COD Restricted Delivery, for which no volume is reported for the reasons discussed above. The second adjustment is due to the movement of Registered COD volume from COD to Registered Mail.

#### F-3 Insurance

The adjustment is due to the addition of Insurance Restricted Delivery, for which no volume is reported for the reasons discussed above.

#### F-3a Priority Mail Express Insurance

The adjustment is due to the elimination of the separate fee schedule for Priority Mail Express Insurance. The adjustment made is to map the Priority Mail Express Insurance volume to the price structure used for Insurance. This is accomplished by using the Insurance volume reported in F-3 Insurance as a distribution key. This distribution key is necessary because Priority Mail Express Insurance increases in \$500 increments whereas Insurance increases in \$100

increments, and because the actual declared value for pieces using Priority Mail Express Insurance is not available.

#### F-4 Post Office Box Service

An adjustment is necessary to remove those PO Boxes that moved to Competitive in September 2014 from the volumes used in the price change.

#### F-6 Registered Mail

Two adjustments are made to the Registered Mail Billing Determinants. The first adjustment is due to the addition of Registered Mail Restricted Delivery, for which no volume is reported for the reasons discussed above. The second adjustment is due to the movement of Registered COD volume from Collect on Delivery to Registered Mail.

#### F-8 Return Receipt

The adjustment reflects the elimination of the Return Receipt after Mailing option.

#### F-12 Signature Confirmation

The adjustments are due to (1) the addition of Signature Confirmation Restricted Delivery, for which no volume is reported for the reasons discussed above, and (2) additional volume reflecting \$200 to \$500 Insurance customers who would no longer have a signature obtained without the purchase of Signature Confirmation service.

#### G-4 Merchandise Return Service

The adjustment is due to the waiving of permit and account maintenance fees for mailers who mail at least one outbound parcel using a permit. The Postal Service does not have data on how many mailers would benefit from this change, and therefore makes the conservative assumption that 20 percent of existing permits and account maintenance fees would not be waived.

#### H-3 Special Handling

The adjustment is due to the consolidation of the existing two price points, 10 Pounds and Less and More than 10 Pounds, into a single price point called Fragile.

#### H-6 Parcel Return Service

The adjustment is due to the waiving of permit and account maintenance fees for mailers who mail at least one outbound parcel using a permit. The Postal Service does not have data on how many mailers would benefit from this change, and therefore makes the conservative assumption that 20 percent of existing permits and account maintenance fees would not be waived.

**Revisions:**

2-13-15 – The CAPCALC-SpecServ-R2015-4.xlsx workpapers were revised to correct an error on worksheet “F-8 Return Receipts” to reflect Return Receipt after Mailing volume from the WebTools API that was implemented in September 2014. Additionally, at the request of the Commission, the workpapers were linked to the revised billing determinants, filed on 2-13-15 in Docket No. ACR2014.